

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
IO-13 /100 R

DRAFTED BY EB/OT/GCP:MBAAS
APPROVED BY EB/OT/GCP:JSLATTERY
EUR/RPE:PMC CLEAN
COMMERCE:BMILLER (INFO)
STR:SLANDE (SUBSTANCE)
TREASURY:JJOHNSON (INFO)
AGRICULTURE:ORIEMENSHNEIDER (INFO)
LABOR:RSCHULMAN (INFO)

-----016462 301131Z /10

R 300043Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS
INFO AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY LUXEMBOURG
AMEMBASSY BRUSSELS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY BONN
AMEMBASSY DUBLIN
AMEMBASSY COPENHAGEN

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PARIS ALSO FOR OECD INFO ADDEES FOR USEEC

E.O. 11652: N/A

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TAGS: ETRD

SUBJECT: COMMISSIONER CHEYSSON'S VIEWS ON TRADE POLICY AND
GSP

REF: BRUSSELS 7755

1. WE WELCOME MISSION'S REPORTING REFTEL WHICH PROVIDES FURTHER ELABORATION OF CHEYSSON'S THINKING THAT HAS BEEN REFLECTED INCREASINGLY IN EC POSITION. IN BOTH OF THE LAST TWO OECD PREFERENCE MEETINGS DURING AN OFF THE RECORD INFORMAL DISCUSSION OF GSP, THE EC REP LAMENTED THE FACT THAT THE EC HAS NO AUTOMATIC MECHANISM THAT WILL REMOVE THE MOST ADVANCED LDCS FROM PRODUCTS WHERE THEY ARE COMPETITIVE (SUCH AS THE US COMPETITIVE NEED) AND LEAVE THE BENEFITS TO THE LESSER DEVELOPED. LIKE CHEYSSON, EC REP ALSO WAS WORRIED BY FACT THAT SMALL NUMBER OF COUNTRIES RECEIVED MOST OF THE GSP PREFERENCES, THAT THESE WERE THE MORE DEVELOPED AMONG THE LDCS AND THE ONES THAT CAUSED THE BIGGEST PROBLEMS FOR DOMESTIC PRODUCERS IN THE EC.

2. THIS CONCERN ALSO CAME THROUGH IN PARAGRAPH 2(D) OF THE CIEC LANGUAGE ON TRADE, FOR WHICH THE EC WAS LARGELY RESPONSIBLE. PARAGRAPH STATES THAT DONOR COUNTRIES SHOULD

UNDERTAKE CONCERTED EFFORTS IN ADJUSTING THEIR SCHEMES TO TAKE INTO ACCOUNT "THE REAL NEEDS OF THE DEVELOPING COUNTRIES AND PARTICULARLY OF THE PROBLEMS FACING THE POOREST AMONG THEM, ... WITH A VIEW TO ENSURING A FAIR DISTRIBUTION OF THE ADVANTAGES OFFERED AMONG THE BENEFIT- LIMITED OFFICIAL USE

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CIARY COUNTRIES." ALL OF THESE COMMENTS, INCLUDING THOSE OF CHEYSSON CLEARLY HAVE THE THOUGHT BEHIND THEM THAT IT MIGHT BE NECESSARY FOR THE EC (OR BETTER YET ALL DONORS IN CONCERT) TO GRADUATE SOME OF THE MORE ADVANCED LDCS, OR AT LEAST MORE OF THEIR PRODUCTS OUT OF THE GSP AT THE TIME OF EXPIRATION OF THE INITIAL TEN YEAR PERIOD OF THE PROGRAM, I.E., 1981.

3. WE ARE, HOWEVER, PUZZLED BY A NUMBER OF CHEYSSON'S SPECIFIC COMMENTS IN PARAGRAPH 2 REFTEL AND AS APPROPRIATE YOU MAY WISH TO RAISE THESE WITH HIM. FIRST, IT IS UNCLEAR WHAT SORT OF "WIDER GOAL# COMPANIES INVESTING IN LDCS SHOULD HAVE IN MIND. SECONDLY, IN THE CASE OF THE TWO "EROSIONS" OF GSP BENEFITS THAT CHEYSSON CITES, IT WOULD SEEM THAT THE INVESTMENT, EMPLOYMENT AND INCREASED INCOME CAUSED BY INCREASED EXPORTS WOULD BY THEMSELVES MAKE A SIGNIFICANT CONTRIBUTION TO ECONOMIC INDEPENDENCE AND DEVELOPMENT AND THE LONG RUN GOOD OF THE LOCAL ECONOMY. IT APPEARS DIFFICULT TO ARGUE THAT INCREASED KOREAN TEXTILE EXPORTS ARE NOT GOOD FOR KOREA, ALTHOUGH IT MAY BE POSSIBLE TO ARGUE THAT THE BENEFIT TO KOREA IS LESS THAN THE DAMAGE DONE TO THE EC. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, LESS DEVELOPED COUNTRIES, GENERALIZED PREFERENCES (TARIFFS), FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770274-0135
Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t1977071/aaaaaatz.tel
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Litigation Codes:
Litigation History:
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Review Exemptions: n/a
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SAS ID: 1718950
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Status: NATIVE
Subject: COMMISSIONER CHEYSSON'S VIEWS ON TRADE POLICY AND GSP
TAGS: ETRD, EEC, OECD, (CHEYSSON, CLAUDE)
To: BRUSSELS USOECD
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